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E-file: June 23, 2009

-and-

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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA  
 SOUTHERN DIVISION**

In re:

THE RHODES COMPANIES, LLC,  
 aka "Rhodes Homes," et al.,<sup>1</sup>

Debtors.

Case No.: 09-14814-LBR  
 (Jointly Administered)

Chapter 11

Affects:

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☐

All Debtors  
 Affects the following Debtor(s)

**NOTICE OF EXTENSION OF CASH  
 COLLATERAL TERMINATION DATE RE  
 FINAL STIPULATED ORDER (I)  
 AUTHORIZING USE OF CASH COLLATERAL  
 PURSUANT TO SECTIONS 105, 361, 362 AND  
 363 OF THE BANKRUPTCY CODE AND (II)  
 GRANTING ADEQUATE PROTECTION AND  
 SUPER PRIORITY ADMINISTRATIVE  
 EXPENSE PRIORITY TO PREPETITION  
 SECURED LENDERS RE DEBTORS' MOTION  
 AND REQUEST FOR CONTINUANCE OF  
 EMERGENCY MOTION TO EXTEND TIME  
 TO EXTEND CASH COLLATERAL  
 TERMINATION DATE**

<sup>1</sup> The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09- 14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20 LLC (Case No. 09-14848); Tuscany Acquisitions IV LLC (Case No. 09-14849); Tuscany Acquisitions III LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP

1 **PLEASE TAKE NOTICE** that this notice relates to that FINAL STIPULATED ORDER (I)  
 2 AUTHORIZING USE OF CASH COLLATERAL PURSUANT TO SECTIONS 105, 361, 362  
 3 AND 363 OF THE BANKRUPTCY CODE AND (II) GRANTING ADEQUATE PROTECTION  
 4 AND SUPER PRIORITY ADMINISTRATIVE EXPENSE PRIORITY TO PREPETITION  
 5 SECURED LENDERS RE DEBTORS' MOTION FOR INTERIM AND FINAL ORDERS  
 6 PURSUANT TO SECTIONS 105, 361, 362, 363, AND 364, ETC. (the "Final Cash Collateral  
 7 Order"), which was entered by the Court on April 30, 2009 [Docket No. 126];

8 **PLEASE TAKE FURTHER NOTICE** that pursuant to paragraph 3(i) of the Final Cash  
 9 Collateral Order, the Cash Collateral Termination Date, as such term is defined in that order, is set to  
 10 occur on June 28, 2009 unless such date is extended by the First Lien Steering Committee in its sole  
 11 discretion;

12 **PLEASE TAKE FURTHER NOTICE** that, subject to the Debtors' continued compliance  
 13 with all other terms of the Final Cash Collateral Order, the First Lien Steering Committee has agreed  
 14 to an extension of the Cash Collateral Termination Date set forth in paragraph 3(i)(a) of the Final  
 15 Cash Order through July 17, 2009 at 11:59 p.m. (prevailing Pacific Time) based on the Budget  
 16 attached hereto as **Exhibit A** (solely for the period through July 17, 2009), which shall supplement  
 17 the original Budget attached to the Final Cash Collateral Order, with all other provisions of the Final  
 18 Cash Collateral Order remaining in full force and effect;

19 **PLEASE TAKE FURTHER NOTICE** that the Debtors shall request that the Debtors'  
 20 Emergency Motion to Extend Time to Extend Cash Collateral Termination Date [Docket No. 236],  
 21 which is currently scheduled to be heard on June 26, 2009 at 1:30 p.m. be continued to the next  
 22 omnibus hearing on July 17, 2009 at 1:30 p.m.

23  
 24 Dated: June 23, 2009

LARSON & STEPHENS

25 By: /s/ Zachariah Larson

26 Zachariah Larson, Esq. (NV Bar No. 7787)

27 (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862);  
 28 Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes  
 Homes Arizona, LLC (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC  
 (Case No. 09-14887).

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# EXHIBIT A

Rhodes Homes 17 Week Cash Flow Forecast  
Prepared 6/16/2009

Starting Cash on 6/5/2009 (Projection)		\$ 4,047,398																		
Line #	Week Ending	11 6/12/2009	12 6/19/2009	13 6/26/2009	14 7/3/2009	15 7/10/2009	16 7/17/2009	17 7/24/2009	18 7/31/2009	19 8/7/2009	20 8/14/2009	21 8/21/2009	22 8/28/2009	23 9/4/2009	24 9/11/2009	25 9/18/2009	26 9/25/2009	27 10/2/2009	Totals	
1	Units Closed - Backlog (Sold)	3	1	6	2	5	4	3	2	3	1	0	0	0	0	1	0	0	31	
2	Units Closed - New Sales Not Started (Projected)	0	0	0	0	0	0	0	0	2	2	3	3	2	2	3	3	2	22	
3	Units Closed - Unsold Standing Inventory (Projected)	0	0	0	0	0	0	1	1	1	1	1	0	0	0	0	0	0	5	
4	Net Revenues - Backlog (Sold)	\$ 271,664	\$ 277,100	\$ 1,445,564	\$ 387,270	\$ 1,318,387	\$ 798,084	\$ 633,985	\$ 415,251	\$ 626,597	\$ 213,361	\$ -	\$ -	\$ -	\$ -	\$ 380,310	\$ -	\$ -	\$ 6,767,573	
5	Net Revenues - New Sales Not started (Projected)	-	-	-	-	-	-	-	-	390,000	390,000	585,000	585,000	390,000	390,000	585,000	585,000	390,000	4,290,000	
6	Net Revenues - Unsold Standing Inventory (Projected)	393,361	-	-	-	-	-	286,650	295,750	250,250	368,550	377,650	-	-	-	-	-	-	1,972,211	
7	Revenues - Park Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	315,000	315,000	
8	Tuscany Golf Course Revenues	57,694	51,000	54,000	52,000	48,000	48,000	48,000	48,000	51,000	51,000	51,000	51,000	67,000	-	-	-	25,000	702,694	
9	Pinnacle Grading Revenues	-	-	943,364	-	-	-	573,500	2,009,103	-	-	-	304,475	-	-	-	-	-	3,830,442	
10	Miscellaneous Refunds and Fees	75,973	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,973	
11	Total Cash Receipts	798,692	328,100	2,757,928	439,270	1,366,387	846,084	1,542,135	2,768,104	1,317,847	1,022,911	1,013,650	940,475	457,000	390,000	965,310	585,000	415,000	17,953,893	
12	Insurance Financing	-	-	-	22,287	-	-	-	-	22,287	-	-	-	22,287	-	-	-	22,287	89,149	
13	IT Services / Equip.	1,778	-	-	8,591	-	-	-	-	8,591	-	-	-	8,591	-	-	-	8,591	36,140	
14	Storage	-	-	-	1,665	-	-	-	-	1,665	-	-	-	1,665	-	-	-	1,665	6,660	
15	Rent	-	-	-	30,509	-	-	-	-	30,509	-	-	-	30,509	-	-	-	30,509	122,035	
16	Brokerage License	-	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	4,000	
17	HOA Fees (1)	21,100	-	-	9,308	-	-	-	-	9,308	-	-	-	9,308	-	-	-	9,308	58,332	
18	Model Home Leases (2)	-	-	-	30,014	-	-	-	-	30,014	-	-	-	30,014	-	-	-	30,014	120,056	
19	Total 1st of Month Payments	22,878	-	-	103,374	-	-	-	-	103,374	-	-	-	103,374	-	-	-	103,374	436,372	
20	Rhodes Homes Payroll (3)	72,549	72,549	72,549	181,053	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	80,895	1,450,337	
21	Rhodes Homes Ordinary Course Professionals	-	-	-	20,000	-	-	-	-	20,000	-	-	-	20,000	-	-	-	20,000	80,000	
22	Rhodes Homes Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Rhodes Homes AZ Payroll	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	813.43	13,828	
24	Pinnacle Payroll	18,211	16,000	12,800	12,800	11,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	191,311	
25	Total Payroll and Benefits	91,573	89,362	86,162	214,666	93,209	91,709	91,709	91,709	111,709	91,709	91,709	91,709	111,709	91,709	91,709	91,709	111,709	1,735,476	
26	Pinnacle (Job Cost)	-	-	856,699	9,346	9,346	59,281	499,033	1,012,696	7,696	57,631	7,696	165,883	7,696	57,631	7,696	7,696	11,408	2,777,434	
27	Pinnacle (Equipment Notes Payments)	-	-	93,000	-	-	93,000	-	-	-	93,000	-	-	-	93,000	-	-	-	372,000	
28	RH Vertical Costs to Complete - Backlog+Standing (Unsold)	99,040	175,099	169,793	137,957	127,345	100,815	79,591	58,366	42,448	21,224	10,612	5,306	5,306	5,306	5,306	-	-	1,043,516	
29	RH Vertical Costs to Complete - New Sales Not Started(4)	25,549	21,000	42,000	73,500	105,000	136,500	168,000	215,250	262,500	262,500	262,500	262,500	262,500	262,500	262,500	262,500	262,500	3,149,299	
30	Rhodes Homes Land Dev. (Cost to Complete) (5)	47,702	59,569	67,303	169,415	55,750	20,384	32,200	29,218	18,718	20,130	23,476	31,433	87,654	32,117	23,476	37,510	19,432	775,485	
31	Rhodes Ranch Park (Job Cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,925	7,925	
32	Rhodes Homes Warranty Repairs (Job Cost)	7,367	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	247,367	
33	Rhodes Homes Vertical Costs - A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	Rhodes Homes Land Dev. - A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35	Rhodes Homes Land Dev. - Spirit Underground A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	Rhodes Homes Land Dev. - Park A/P	61,197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,197	
37	Total Job Cost	248,779	270,668	1,243,795	405,218	312,441	424,980	793,824	1,330,531	346,362	469,485	319,284	480,122	378,156	465,554	313,978	322,706	308,340	8,434,222	
38	Sales / Marketing	24,126	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	281,252	
39	G & A	12,919	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	307,319	
40	Utility Deposits	-	3,151	-	-	-	8,786	-	-	-	-	-	-	-	-	-	-	-	11,937	
41	Builder Subsidies to Tuscany HOA (6)	55,047	-	-	18,349	-	-	-	-	18,349	-	-	-	18,349	-	-	-	18,349	128,443	
42	Sales and Use Tax / Property Taxes	-	-	-	-	-	-	-	-	-	-	-	526,937	-	-	-	-	-	526,937	
43	Debtor's Restructuring Professionals (7)	508,875	-	-	-	300,500	-	-	-	279,250	-	-	-	-	495,250	-	-	530,000	2,113,875	
44	Committee's Restructuring Professionals (8)	-	-	-	-	75,000	-	-	-	75,000	-	-	-	-	114,706	-	-	88,235	352,941	
45	Lenders' Professionals (9)	-	-	510,000	-	447,000	-	-	-	365,000	-	-	-	-	340,000	-	-	365,000	2,027,000	
46	US Trustee Payment Center	-	-	-	-	-	-	-	55,000	-	-	-	-	-	-	-	-	-	55,000	
47	Employee & Consultant Housing and Travel Expenses	2,234	2,000	2,000	4,500	2,000	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	44,234	
48	G&A Expenditures	603,201	39,621	546,470	57,319	858,970	45,257	36,470	91,470	776,569	36,470	36,470	36,470	584,257	986,426	36,470	36,470	1,040,554	5,848,938	
49	Tuscany Golf Course Costs	138,972	23,000	65,000	104,000	101,200	20,920	67,300	104,000	110,500	51,420	70,800	24,000	179,000	23,620	74,240	24,560	74,240	1,256,772	
50	Starting Cash Position	4,047,398	3,740,688	3,646,137	4,462,637	4,017,330	4,017,897	4,281,117	4,833,949	5,984,343	5,853,677	6,227,504	6,722,890	7,031,064	6,131,569	4,954,260	5,403,172	5,512,727	4,047,398	
51	Projected Net Revenue	798,692	328,100	2,757,928	439,270	1,366,387	846,084	1,542,135	2,768,104	1,317,847	1,022,911	1,013,650	940,475	457,000	390,000	965,310	585,000	415,000	17,953,893	
52	Disbursement for Week	1,105,402	422,651	1,941,428	884,577	1,365,820	582,865	989,303	1,617,710	1,448,513	649,084	518,263	632,301	1,356,495	1,567,309	516,397	475,445	1,638,216	17,711,779	
53	Ending Cash Position	\$ 3,740,688	\$ 3,646,137	\$ 4,462,637	\$ 4,017,330	\$ 4,017,897	\$ 4,281,117	\$ 4,833,949	\$ 5,984,343	\$ 5,853,677	\$ 6,227,504	\$ 6,722,890	\$ 7,031,064	\$ 6,131,569	\$ 4,954,260	\$ 5,403,172	\$ 5,512,727	\$ 4,289,511	4,289,511	

Notes:

- (1) HOA fees paid for completed communities in which the Company continues to own lots / property - (i) Spanish Hills \$2,760, (ii) Preserves \$48, (iii) \$5,000 X-It, and (iv) \$1,500 West 57th
- (2) Lease payments paid to owners of model homes (11 units) which are representative of product that continues to be sold in Tuscany and in Rhodes Ranch
- (3) Week 1 includes Jim Rhodes salary catch-up payment of \$100,000 and \$8,504 of payroll tax liabilities (subject to court approval)
- (4) Vertical construction costs incurred related to prospective, ongoing sales of product that are at the dirt lot phase of construction
- (5) Land development work as required by development agmts; includes \$238,560 of work required for bond exonerations and \$137,495 related to renewal of performance bond:
- (6) Includes monthly (i) \$1,600 sales office rent estimate and (ii) \$16,749 Tuscany HOA support
- (7) Payments to Pachulski-Stang, Larson & Stephens, Omni, Acceleron Group and the Sullivan Group
- (8) Payments to Beckett; Holdback of \$39,706 on 9/11.
- (9) Payments to WCP, Akin Gump, Koslear & Leatham.